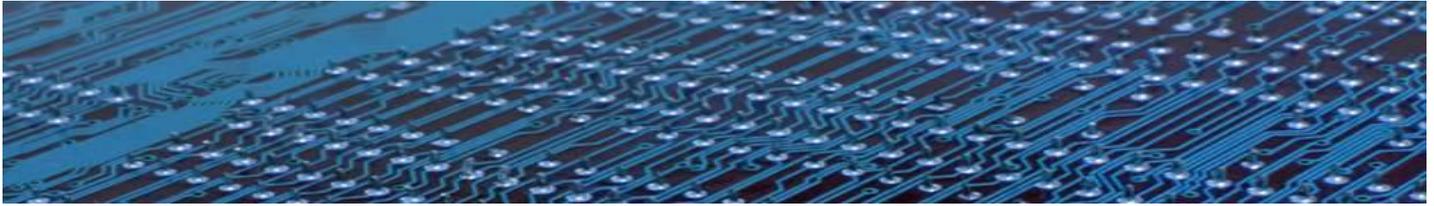


Recent Price Trends in the Semiconductor Industry

An overview of Semiconductor Manufacturing price indexes

2020

www.bls.gov/mxp



U.S. Import and Export Price Indexes contain data on changes in the prices of nonmilitary goods and services traded between the United States and the world. The U.S. Bureau of Labor Statistics produces these indexes, which are Principal Federal Economic Indicators.

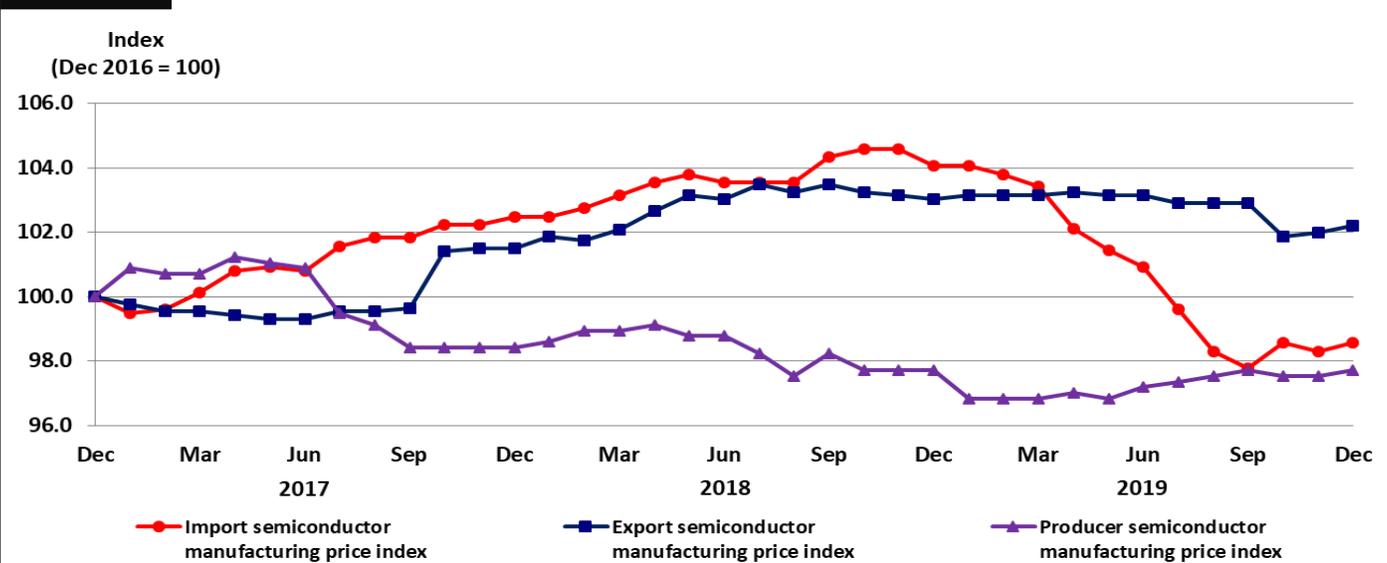
Q: How have import semiconductor prices trended over the 2017–2019 period? (See chart 1)

- Semiconductor manufacturing import prices declined 1.4 percent from December 2016 to December 2019. The import semiconductor manufacturing price index increased 2.5 percent in 2017 and 1.5 percent in 2018. The price index then fell 5.3 percent in 2019.
- Import prices for semiconductor manufacturing peaked in October 2018 for the 3-year period ended December 2019 after advancing 5.1 percent from a low in January 2017.
- High inventory levels and weakening demand for flash memory, particularly for use in mobile devices, contributed to the decline in import semiconductor manufacturing prices in 2019.

Q: How did import semiconductor prices compare with other economic data?

- The import semiconductor manufacturing price index increased similarly to the corresponding export price index in 2017 and 2018. However, import prices declined more sharply than export prices in 2019. Unlike import and export prices, producer prices generally trended downward in 2017 and 2018 before remaining mostly flat in 2019.
- The producer price index for semiconductor manufacturing decreased 1.6 percent from December 2016 to December 2017. Producer prices for semiconductor manufacturing continued to fall in 2018, declining 0.7 percent, and did not change in 2019. Producer prices for semiconductors decreased 2.3 percent over the 3-year period ended December 2019.

Chart 1 Import, export, and producer semiconductor manufacturing price indexes



SOURCE: U.S. Bureau of Labor Statistics.



Q: How have export semiconductor prices trended over the 2017–2019 period? (See chart 1)

- The export semiconductor manufacturing price index advanced from December 2016 to December 2019, increasing 2.2 percent. Export semiconductor manufacturing prices increased 1.5 percent in both 2017 and 2018, then declined 0.8 percent in 2019.
- For the 3-year period ended December 2019, export semiconductor prices bottomed out in May 2017 and peaked in July 2018.

Q: What are the top six exporting states and territories for semiconductor manufacturing? (See chart 2)

- In 2019, the total trade value of exported semiconductors was \$59.8 billion, a 0.3-percent increase from 2018. The top 6 exporting states made up 70.6 percent of the value.
- Texas and California totaled \$26.8 billion in semiconductor manufacturing exports in 2019, ranking first and second in the United States.
- Oregon ranked third with \$8.2 billion in trade dollar value, a 46.9-percent increase from the state’s total export trade value of semiconductors in 2018.

Q: How are import and export price indexes useful to you?

Import and export price indexes can provide a new perspective for your trade analyses. Although many sources report domestic market prices and trade volume, IPP data are unique in measuring import and export price movement.

For example, if you are involved in the semiconductor industry and are considering conducting business overseas, IPP semiconductor manufacturing indexes can supplement your industry research by providing long-term import and export price trends.

Q: How are import and export price indexes used?

Import and export price indexes are used for a variety of purposes:

- In the conversion of U.S. trade figures from current dollars to constant dollars in U.S. trade statistics including the Bureau of Economic Analysis’ Quarterly Gross Domestic Product and the Census Bureau’s monthly U.S. trade statistics.
- To assess the impact of international trade on domestic inflation and the competitive position of the United States.
- As a tool for analyzing fiscal and monetary policy, measuring the impact of exchange rates, and escalating trade contracts.
- To identify industry-specific and global price trends.

